

**Illinois Department of Revenue
Regulations**

Title 86 Part 500 Section 500.235 Claims for Refund - Invoices

TITLE 86: REVENUE

**PART 500
MOTOR FUEL TAX**

Section 500.235 Claims for Refund - Invoices

- a) Claims for the refund of Motor Fuel Tax imposed by Section 2 of the Law, by persons other than a distributor or supplier, shall be made to the Department of Revenue, duly verified by the claimant, upon forms prescribed by the Department. The Department of Revenue will not approve claims for refund of Motor Fuel Tax unless such claims can be directly supported by invoices, sales slips, statements of account, or monthly statements (herein referred to as "purchase documentation"). Reproductions may be submitted in lieu of originals, provided they are legible. However, the Department may require original purchase documentation to verify purchases. Purchase documentation may be electronically generated by the claimant's fuel supplier. Electronically generated purchase documentation shall meet all applicable electronic storage requirements of Sections 130.805 and 130.825 of the Retailers' Occupation Tax regulations (86 Ill. Adm. Code 130). Manifests will not be treated as purchase documentation.
- b) All purchase documentation must contain the following information:
 - 1) Date of delivery;
 - 2) name and address of purchaser (which must be the name of the claimant);
 - 3) name and address of seller;
 - 4) number of gallons purchased and price per gallon;
 - 5) Illinois Motor Fuel Tax as separate item if the purchase documentation is from other than a retail outlet; and
 - 6) receipt of payment. (Only paid purchase documentation is acceptable in connection with claims for refund.) Refunds will only be issued when payment of tax is exactly correlated to the purchase documentation for which the claim is being filed.
- c) Claimants must retain purchase documentation in conjunction with claims based upon motor fuel used for a nontaxable purpose. In making a claim, claimants must show total purchases, deducting the gallonage used upon public highways or waters, the difference being the net amount upon which the claim is based. Claimants must retain among their books and records documentation of all purchases, payments, bulk

storage withdrawals and proof of usage for a period equivalent to that during which an assessment can be issued under the Law, from the date of issuance of the claim or refund. This information must be made available to Department employees upon request. Failure to keep or provide such records will result in denial of claims and recovery of any claims paid. In addition, the Department may recover any claims erroneously paid.

- d) Where the claimant has lost purchase documentation through inadvertence or an act of God, the Department will permit the claimant to submit an affidavit in lieu of such purchase documentation in support of the claim, if the affidavit contains the same information which the purchase documentation was required to contain, plus a statement of facts explaining the loss of the purchase documentation and justifying the substitution of an affidavit for the purchase documentation.
- e) Claims for full reimbursement for taxes paid on or before December 31, 1999 on motor fuel must be filed not later than one year after the date on which the tax was paid by the claimant. If, however, a claim for such reimbursement otherwise meeting the requirements of the Law is filed more than one year but less than 2 years after that date, the claimant shall be reimbursed at the rate of 80% of the amount to which he would have been entitled if his claim had been timely filed. Claims for full reimbursement for taxes paid on or after January 1, 2000 must be filed not later than 2 years after the date on which the tax was paid by the claimant.
- f) Claims accompanied by purchase documentation which demonstrate evidence of change of name, date or gallonage or other evidence of fraud, or which is illegible, will be disallowed in their entirety.
- g) Any person who purchases motor fuel in Illinois and uses that motor fuel in another state and that other state imposes a tax on the use of such motor fuel shall be reimbursed and repaid the amount of Illinois tax paid on the motor fuel used in such other state. Reimbursement and repayment shall be made by the Department upon receipt of adequate proof of taxes paid to another state and the amount of motor fuel used in that state. Evidence supporting the claim must include both a copy of the tax return filed with such other state and a copy of the cancelled check or a receipt acknowledging payment of the tax due on said tax return.
- h) *Claims for refunds for the motor fuel tax imposed by Section 2 of the Law approved by the Department shall be paid within 90 days after receipt of a complete and correct application for such a refund. If refunds are paid after the expiration of the 90 day period, the Department shall also pay from the Motor Fuel Tax Fund to the taxpayer interest at the rate and in the manner set by the Uniform Penalty and Interest Act [35 ILCS 505/15.1].*
- i) The Department will approve claims for refund only when such claims are based upon a showing that such motor fuel was used for a nontaxable purpose, and that the part for which refund is claimed can, as a practical matter, be calculated and itemized. When such claims are estimated or calculated, they must be supported by verifiable documentation retained in the claimant's books and records. Only claims that can be supported by proof of the amount of motor fuel not used for a taxable purpose will be approved.

ji) *For claims based upon taxes paid on or before December 31, 2000, no claim based upon the use of undyed diesel fuel shall be allowed except for:*

- 1) *Undyed diesel fuel used in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the undyed diesel fuel becomes a component part of a product or byproduct, other than fuel or motor fuel, when the use of dyed diesel fuel in that manufacturing process results in a product that is unsuitable for its intended use or for testing machinery and equipment in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the testing takes place on private property.*
- 2) *Undyed diesel fuel used by a manufacturer on private property in the research and development, as defined in Section 1.29, of machinery or equipment intended for manufacture.*
- 3) *Undyed diesel fuel used by a single unit self-propelled agricultural fertilizer implement, designed for on and off road use, equipped with flotation tires and specially adapted for the application of plant food materials or agricultural chemicals.*
- 4) *Undyed diesel fuel used by a commercial motor vehicle, as defined in Section 500.100 of this Part, for any purpose other than operating the commercial motor vehicle upon the public highways. Claims shall be limited to commercial motor vehicles that are operated for both highway purposes and any purposes other than operating such vehicles upon the public highways and shall be limited to the nonhighway portion of the fuel used. For instance, such claims include, but are not limited to, commercial motor vehicles such as 3-axle dump trucks operated both on public highways and on landfills in landfill operations. This subsection (j)(4) does not include claims filed for undyed diesel fuel used by power take-off equipment. This type of claim is described in subsection (j)(7).*
- 5) *Undyed diesel fuel used by a unit of local government in its operation of an airport if the undyed diesel fuel is used directly in airport operations on airport property.*
- 6) *Undyed diesel fuel used by refrigeration units that are permanently mounted to a semitrailer, as defined in Section 1.28 of the Law, wherein the refrigeration units have a fuel supply system dedicated solely for the operation of the refrigeration units.*
- 7) *Undyed diesel fuel used by power take-off equipment as defined in Section 1.27 of the Law. Claims shall be based upon actual consumption of undyed diesel fuel. The maximum amount of undyed diesel fuel that may be claimed for refund under this Section, however, is 25% of the fuel consumed, unless prior to submission of the claim the claimant submits a specific study conducted by the claimant and approved by the Department for claims in*

excess of this amount. Such approved studies shall be valid for 2 years after the date of approval.

- 8) *Undyed diesel fuel used by unlicensed commercial vehicles, as defined in Section 1-111.8 of the Illinois Vehicle Code, operating exclusively on private property. (Section 13 of the Law) Such claims are subject to a maximum of 100% of the fuel consumed by such commercial vehicles.*
- 9) *Undyed diesel fuel used by a commercial vehicle, as that term is defined in Section 1-111.8 of the Illinois Vehicle Code, for any purpose other than operating the commercial vehicle upon the public highway. Claims shall be limited to commercial vehicles that are operated for both highway purposes and any purposes other than operating such vehicles upon the public highways. (Section 13 of the Law) Such claims must be based upon actual consumption of undyed diesel fuel. The following are identified uses subject to refund and are the maximum amounts of undyed diesel fuel that may be claimed for refund by commercial vehicles operating in such a dual capacity:*

Use	Maximum
Application of dry fertilizer, liquid fertilizer, pesticides, or herbicides by a commercial vehicle that is either licensed for highway use or is not required to be licensed under Section 3-809(c) of the Illinois Vehicle Code and is designed or adapted and used for the bulk spreading of agricultural chemicals	Limestone .20 gallon per ton applied Phosphate 1 gallon per ton applied Dry fertilizer 2 gallons per ton applied Liquid mixed fertilizer 1 gallon per ton applied Liquid nitrate fertilizer 1 gallon per ton applied Anhydrous ammonia 2 gallons per acre of application NH[3] liquid/dry fertilizer 1 gallon per acre of application Pesticides/herbicides .13 gallon per acre of application
Commercial vehicles utilizing power take-off equipment (including concrete mixing vehicles and solid waste compacting vehicles)	25% of the fuel consumed
Commercial vehicle with permanently mounted refrigeration units that refrigerate cargo and have a dedicated fuel supply system separate from the commercial vehicle's fuel supply tank	100% of the fuel consumed by the refrigeration units

Custom work maintenance by commercial vehicles	Moldboard plowing 8 gallons per acre
	Chisel plowing 6 gallons per acre
	Discing 3 gallons per acre
	Chopping stalks 3 gallons per acre
	Pasture reseeding 3 gallons per acre
	Bluegrass sowing 3 gallons per acre
	Combining 5 gallons per acre
	Bushhogging 5 gallons per acre
	Planting 2 gallons per acre
	Replanting 2 gallons per acre
	Mowing 1 gallon per acre
Cultivation maintenance by commercial vehicles	Corn 12 gallons per acre cultivated
	Soybeans 10 gallons per acre cultivated
	Small grain 3 gallons per acre cultivated
	Hay 10 gallons per acre cultivated
	Corn silage 20 gallons per acre cultivated
Livestock maintenance by commercial vehicles	Swine .3 gallon per animal raised to market
	Sheep .45 gallon per animal raised to market
	Beef cattle 1.3 gallons per animal raised to market
	Dairy cattle 1 gallon per animal raised to market
	Poultry .054 gallon per bird raised to market

A claimant who has a commercial vehicle that is operated for both highway purposes and any purposes other than operating such vehicles upon the public highways that is not included in the above table shall submit a specific study that has been conducted by such claimant and approved by the Department prior to submission of the claim. The above amounts are the maximum amounts allowed unless the claimant submits a specific study conducted by the claimant and approved by the Department for claims in excess of these amounts. Such approved studies shall be valid for 2 years from the date of approval.

- k) *For claims based upon taxes paid on or after January 1, 2001, no claim based upon the use of undyed diesel fuel shall be allowed except for claims for the following:*
- 1) *undyed diesel fuel used: in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the undyed diesel fuel becomes a component part of a product or byproduct, other than fuel or motor*

fuel, when the use of dyed diesel fuel in that manufacturing process results in a product that is unsuitable for its intended use; or for testing machinery and equipment in a manufacturing process, as defined in Section 2-45 of the Retailers' Occupation Tax Act, wherein the testing takes place on private property.

- 2) *Undyed diesel fuel used by a manufacturer on private property in the research and development, as defined in Section 1.29 of the Law, of machinery or equipment intended for manufacture.*
- 3) *Undyed diesel fuel used by a single unit self-propelled agricultural fertilizer implement, designed for on and off road use, equipped with flotation tires and specially adapted for the application of plant food materials or agricultural chemicals.*
- 4) *Undyed diesel fuel used by a commercial motor vehicle, as defined in Section 500.100 of this Part, for any purpose other than operating the commercial motor vehicle upon the public highways. Claims shall be limited to commercial motor vehicles that are operated for both highway purposes and any purposes other than operating such vehicles upon the public highways and shall be limited to the nonhighway portion of the fuel used. For instance, such claims include, but are not limited to, commercial motor vehicles such as 3-axle dump trucks operated both on public highways and also on landfills in landfill operations. This subsection (k)(4) does not include claims filed for undyed diesel fuel used by power take-off equipment. This type of claim is described in subsection (k)(7).*
- 5) *Undyed diesel fuel used by a unit of local government in its operation of an airport if the undyed diesel fuel is used directly in airport operations on airport property.*
- 6) *Undyed diesel fuel used by refrigeration units that are permanently mounted to a semitrailer, as defined in Section 1.28 of the Law, wherein the refrigeration units have a fuel supply system dedicated solely for the operation of the refrigeration units.*
- 7) *Undyed diesel fuel used by power take-off equipment as defined in Section 1.27 of the Law. Claims shall be based upon actual consumption of undyed diesel fuel. The maximum amount of undyed diesel fuel that may be claimed for refund under this Section, however, is 25% of the fuel consumed, unless prior to submission of the claim the claimant submits a specific study conducted by the claimant and approved by the Department for claims in excess of this amount. Such approved studies shall be valid for 2 years after the date of approval.*
- 8) *Claims for taxes paid on and after January 1, 2001 are no longer authorized for commercial vehicles unless the commercial vehicle falls within the definition of a "commercial motor vehicle", as provided in Section 500.100 of this Part and the claim is eligible for refund under subsection (k)(4), or the claim is eligible for refund under any of the other provisions of this subsection (k).*

- 9) Claims for taxes paid on and after January 1, 2001 are no longer authorized for undyed diesel fuel used by unlicensed commercial vehicles operating exclusively on private property, unless such vehicles are eligible for refund under any of the provisions of this subsection (k).
- l) Effective July 1, 2001, *any person who has paid the tax imposed by Section 2 of the Law upon undyed diesel fuel that is unintentionally mixed with dyed diesel fuel and who owns or controls the mixture of undyed diesel fuel and dyed diesel fuel may file a claim for refund to recover the amount paid. The amount of undyed diesel fuel unintentionally mixed must equal 500 gallons or more. Any claim for refund of unintentionally mixed undyed diesel fuel and dyed diesel fuel shall be supported by documentation showing the date and location of the unintentional mixing, the number of gallons involved, the disposition of the mixed diesel fuel, and any other information that the Department may reasonably require. Any unintentional mixture of undyed diesel fuel and dyed diesel fuel shall be sold or used only for nonhighway purposes. (Section 13 of the Law)*

(Source: Amended at 26 Ill. Reg. 9912, effective June 24, 2002)